

**AGENDA FOR THE  
REGULAR COUNCIL MEETING OF  
MONDAY, JUNE 23, 2008 AT 2:00 P.M.  
CITY ADMINISTRATION BUILDING  
COUNCIL CHAMBERS – 12<sup>TH</sup> FLOOR  
202 “C” STREET  
SAN DIEGO, CA 92101**

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**OTHER LEGISLATIVE MEETINGS**

A Special Meeting of the **SAN DIEGO REDEVELOPMENT AGENCY** is scheduled to meet today in the Council Chambers. A separate agenda is published for it, and is available in the Office of the City Clerk. For more information, please contact the Redevelopment Agency Secretary at (619) 236-6256. Internet access to the agenda is available at:

<http://www.sandiego.gov/redevelopment-agency/index.shtml>

ITEM-1:                      ROLL CALL.

ITEM-10:                    INVOCATION.

ITEM-20:                   PLEDGE OF ALLEGIANCE.

**NON-AGENDA PUBLIC COMMENT**

Non-agenda public comment is taken on Tuesday pursuant to the San Diego Municipal Code Section 22.0101.5.

**MAYOR, COUNCIL, INDEPENDENT BUDGET ANALYST, CITY ATTORNEY  
COMMENT**

**UPDATES ON PENDING LEGISLATION (MAYOR’S OFFICE)**

**REQUESTS FOR CONTINUANCE**

The Council will consider requests for continuance in the morning or afternoon, based on when the item was noticed to be heard.

**=== LEGISLATIVE SCHEDULE ===**

Adoption Agenda, Discussion, Other Legislative Items

- ITEM-200: Authorize Managed Competition Consultant Support Contract and Funding.  
STAFF'S RECOMMENDATION: Adopt the resolution.
- ITEM-201: Fiscal Year 2009 Tax Appropriations Limit (Gann Limit).  
STAFF'S RECOMMENDATION: Adopt the resolution.
- ITEM-202: FY 2009 Assessment Levy and Update Assessment Engineer's Reports. (Centre City, College Area, City Heights, North Park, Greater Golden Hill, Ocean Beach, Southeastern and Uptown Community Plan Areas. Districts 2, 3, 7, and 8.)  
STAFF'S RECOMMENDATION: Adopt the resolutions.

**CLOSED SESSION NOTICES, DISCLOSURE, AND PUBLIC COMMENT**

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**NOTE:** Members of the public wishing to address the City Council on any item on the Closed Session Agenda should reference the Closed Session item number from the Closed Session Docket on the speaker slip. Speakers may speak “in favor” or “in opposition” to the subject.

**Information Item - No Action Required - The City Council shall:**

1) Consider any oral report from the City Attorney or City negotiators; 2) Accept testimony from any member of the public wishing to address the City Council on any item appearing on the Closed Session Agenda; 3) Allow for questions and discussion by Council Members, limited to the facts as disclosed by the City Attorney or City negotiators and the basis or justification for consideration of the matter in Closed Session; 4) Refer matters discussed to Closed Session.

**=== LEGISLATIVE SCHEDULE (Continued) ===**

Public Notices

ITEM-250:           Submission of Ballot Proposals

NON-DOCKET ITEMS

ADJOURNMENT IN HONOR OF APPROPRIATE PARTIES

ADJOURNMENT

**=== EXPANDED CITY COUNCIL AGENDA ===**

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS

RESOLUTIONS:

ITEM-200: Authorizing Managed Competition Consultant Support Contract and Funding.

[?View referenced exhibit back-up material \(Part 1 of 2\).](#)

[?View referenced exhibit back-up material \(Part 2 of 2\).](#)

(See Report to the City Council No. 08-092.)

**STAFF'S RECOMMENDATION:**

Adopt the following resolution:

(R-2008-1181)

Authorizing the Mayor to execute, for and on behalf of the City, an agreement with Grant Thornton LLP, for managed competition program support, under the terms and conditions set forth in the Agreement;

Declaring that the contract with Grant Thornton has an authorization to expend an amount not to exceed \$1,100,000, contingent upon the City Auditor and Comptroller first certifying that funds are available;

Authorizing the City Auditor and Comptroller to appropriate and expend an amount not to exceed \$400,000 in Business Office (Fund 100, Department 210) from the General Fund Appropriated Reserves (Fund 100, Department 602) to fund managed competition consultant support;

Declaring that this activity is exempt from California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061 (b)(3).

**STAFF SUPPORTING INFORMATION:**

Essential elements of a successful managed competition program include detailed preliminary planning and well defined, performance-based Statements of Work (SOW). In order to gain the specialized knowledge and experience necessary to support these processes, the managed competition program issued a Request for Proposals (RFP) on October 19, 2006. Four proposals were received and were evaluated separately for technical merit and price. Grant Thornton was evaluated the best value provider and was awarded a one-year contract, with four Option years. The scope of work for the consultant includes: preliminary planning including functional scoping and grouping, workload and data systems collection, market research, and determination of baseline costs; development project schedules; SOW and RFP development support; post-award support; training; and overall project support.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)

## RESOLUTIONS: (Continued)

ITEM-200: (Continued)

**STAFF SUPPORTING INFORMATION:** (Continued)

During the past fourteen months, the City has issued task-orders under limited notice to proceed for discrete elements of work to assist the City with program development, preliminary planning and pre-competition assessment. For Fiscal Year 2007 the City issued three task orders, expending a total of \$54,040.50. In the current fiscal year, the City has issued one task order, expending \$195,097. The total contract value to date is \$249,137.50.

This contract is an “indefinite delivery, indefinite quantity” (IDIQ) format wherein task orders are issued on an as needed basis. This contract type is used when the exact delivery times and/or quantities of services required under the contract are not known when the contract is awarded, but recurring need is anticipated. Included in the RFP was a cost comparison worksheet that dictated a set quantity of hours (6,100) and was to be completed by proposers and included as their price proposal.

This worksheet was used strictly for comparison and price proposal evaluation purposes. Therefore, despite the fact that the price proposals returned estimates in excess of the \$250,000 threshold required to bring a consulting contract to the City Council for approval, these estimates were based on an arbitrary quantity of consultant time and there was no basis to assume that this quantity of work was actually being procured.

The managed competition program has made significant progress and is now in need of more robust support to assist in SOW development. It is requested that the Council continue to provide for this program and authorize the contract.

**FISCAL CONSIDERATIONS:**

Funding to support this contract is requested in the amount of \$400,000 via transfer from Fiscal Year 2008 General Fund Appropriated Reserves. The remaining funding requirement will be drawn from the proposed Fiscal Year 2009 budget as approved by Council.

**PREVIOUS COUNCIL and/or COMMITTEE ACTION:**

- March 27, 2006 - City Council adopted Ordinance O-19474, placing on the November 7, 2006, ballot the proposition to amend Article VIII of the City Charter by adding subsection (c) regarding the use of managed competition to Section 117.
- January 9, 2007 - City Council approved Ordinance O-19565, which amended Article 2, Division 37 of the Municipal Code.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)

RESOLUTIONS: (Continued)

ITEM-200: (Continued)

**STAFF SUPPORTING INFORMATION:** (Continued)

**COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:**

Thirty-seven potential consultants were contacted and made aware of the RFP. The RFP was advertised in the *San Diego Daily Transcript* and posted to the City's official web site.

**KEY STAKEHOLDERS AND PROJECTED IMPACTS:**

Interested parties include:

- The voters of the City of San Diego, who expressed their enthusiasm for a managed competition program within the City of San Diego (City) through their approval of Proposition C in November 2006
- City employees
- The City's recognized labor unions
- Local businesses
- The residents and visitors of the City of San Diego

Managed competition is intended to aide the City of San Diego in ensuring that it is delivering quality services to taxpayers, residents, and visitors in the most economical and efficient means possible.

Danegger/Goldstone

Aud. Cert. 2800894.

Staff: Anna Danegger - (619) 236-6107  
Michael P. Calabrese – Chief Deputy City Attorney



ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS

RESOLUTIONS: (Continued)

ITEM-201: Fiscal Year 2009 Tax Appropriations Limit (Gann Limit).

[?View referenced exhibit back-up material.](#)

**STAFF'S RECOMMENDATION:**

Adopt the following resolution:

(R-2008-1138)

Establishing the following tax appropriations limit for the City of San Diego, pursuant to the authority of California Government Code, Division 9, Title 1 (Sections 7900 et seq.):

- Established for Fiscal Year 2009 \$1,181,182,812

Certifying that the documentation upon which the tax appropriations limit herein established has been determined, which is attached as Exhibit A, has been made available for public information and review 15 days prior to the meeting at the Office of the City Clerk, pursuant to the requirements of Section 7910 of the California Government Code.

**STAFF SUPPORTING INFORMATION:**

In November 1979, California voters approved Proposition 4 (the Gann Initiative) and added Article XIII B to the California State Constitution. In 1980, the State Legislature added Division 9 (commencing with Section 7900) to Title I of the Government Code to implement Article XIII B. This legislation required the governing body of each local jurisdiction in California to establish a Tax Appropriations Limit on or before June 30 of each year for the following fiscal year. The Tax Appropriations Limit is based on actual appropriations during the State of California Fiscal Year 1978-1979, and adjusted each year using population and inflation adjustment factors.

On June 5, 1990, California voters approved Proposition 111, amending Article XIII B. Proposition 111 allowed local jurisdictions to choose among measures of inflation and population growth to compute the adjustment factor. The measures for inflation (price factors) include growth in the California per capita income or growth in the non-residential assessed valuation due to construction within a city; measures for population growth include population growth within the county or city. Attachment 1 presents a 10 year history of the adjustment factors and tax appropriation limits for the City of San Diego.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)

## RESOLUTIONS: (Continued)

ITEM-201: (Continued)

**STAFF SUPPORTING INFORMATION:** (Continued)

The proposed Tax Appropriations Limit for Fiscal Year 2009 is \$1.18 billion. In accordance with Proposition 111 guidelines, the Fiscal Year 2009 Tax Appropriations Limit was calculated by adjusting the prior year's tax appropriations limit using one of the adjustment factors. See Attachment 2 for alternative adjustment factors applicable to Fiscal Year 2009. The recommended Fiscal Year 2009 adjustment factor was calculated using the price factor based on the percent change in assessed valuation of new non-residential construction within the City (10.83%) and the population factor based on the percent growth in the County's population (1.34%), resulting in an adjustment factor of 12.32% (see Attachment 2). The use of this adjustment factor results in a Tax Appropriations Limit for Fiscal Year 2009 of \$1.18 billion, a 12.32% increase over the Fiscal Year 2008 Tax Appropriations Limit of \$1.05 billion.

The Tax Appropriations Limit does not apply to all City revenues, or all General Fund revenues, but only to proceeds of taxes including property tax, sales tax, transient occupancy tax, motor vehicle license fees, and other local taxes, less the amount paid in debt service on both voter-approved debt and qualified capital outlays<sup>1</sup>. Other revenues, including fees, licenses and permits, rents and concessions, and inter-fund transfers are not subject to the limit. The Proposed Budget for Fiscal Year 2009 projects the tax appropriations subject to the limit to be \$838,076,591. See Attachment 3 for details on the Fiscal Year 2009 appropriations subject to the limit. The projected appropriations subject to the limit are estimated to be approximately \$343.1 million below the recommended limit.

**FISCAL CONSIDERATION(S) and CHANGE IN GANN LIMIT CALCULATION:**

The City Council has the option to select one of the other three adjustment factors allowed under Proposition 111 to establish the Fiscal Year 2009 Tax Appropriations Limit. As shown in Attachment 2, all of these three alternative options would result in a lower annual adjustment factor and therefore a lower Tax Appropriations Limit. A lower appropriations limit would lower the base used for calculation of the limit in future years, which could lower the City's ability to appropriate tax revenues.

During the Gann Limit calculation process for Fiscal Year 2009, an error was noticed in the previous years' methodology. Beginning in Fiscal Year 2004 and continuing through Fiscal Year 2008, the assessed valuation data used in the Gann Limit calculation were based on new non-residential construction within the County; the correct calculation should have used the City of San Diego data. This change in calculation is reflected in the Fiscal Year 2009 Gann Limit as a result of having revised Fiscal Years 2004 through 2008. This correction has no fiscal impact on the City of San Diego.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)

RESOLUTIONS: (Continued)

ITEM-201: (Continued)

**STAFF SUPPORTING INFORMATION:** (Continued)

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

Since the inception of the Gann Initiative in 1979, the City Council has adopted a Tax Appropriations Limit annually.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

In accordance with California Law, Division 9 of the Government Code, supporting documents for the tax appropriations limit are made available to the public, at the Office of the City Clerk, 15 days prior to City Council adoption of the limit.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Not adopting the FY 2009 Tax Appropriations Limit on or before June 30, 2009, will be a violation of California Law, Division 9 of the Government Code.

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<sup>1</sup> A fixed asset, including land, with a useful life of more than 10 years and a value that equals or exceeds \$100,000.

Tirandazi

Staff: Irina Kumits - (619) 235-5714

Lawrence Tomanek – Chief Deputy City Attorney

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)

RESOLUTIONS: (Continued)

ITEM-202: FY 2009 Assessment Levy and Update Assessment Engineer's Reports. (Centre City, College Area, City Heights, North Park, Greater Golden Hill, Ocean Beach, Southeastern and Uptown Community Plan Areas. Districts 2, 3, 7, and 8.)

[?View referenced exhibit back-up material \(Part 1 of 2\).](#)

[?View referenced exhibit back-up material \(Part 2 of 2\).](#)

**STAFF'S RECOMMENDATION:**

Adopt the following resolutions:

Subitem-A: (R-2008-1147)

Adoption of a Resolution approving the Engineer's Reports submitted in connection with the Self-Managed Maintenance Assessment Districts for Fiscal Year 2009.

Subitem-B: (R-2008-1149)

Adoption of a Resolution declaring the intent to levy and collect Fiscal Year 2009 annual assessments on previously established Maintenance Assessment Districts and Property and Business Improvement District; and to authorize appropriation and expenditure of funds therefore.

**STAFF SUPPORTING INFORMATION:**

**REQUESTED ACTION:**

1. Approving the Assessment Engineer's Reports for each self-managed Maintenance Assessment District and Property and Business Improvement District;
2. Authorizing the levy and collection of assessments within previously established self-managed Maintenance Assessment Districts and Property and Business Improvement District for Fiscal Year 2009.
3. Authorizing the City Auditor and Comptroller to appropriate and expend the self-managed Maintenance Assessment District and Property and Business Improvement District funds for Fiscal Year 2009 for the purpose of enhanced maintenance, landscaping, and lighting services.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)

RESOLUTIONS: (Continued)

ITEM-202: (Continued)

**STAFF SUPPORTING INFORMATION:** (Continued)

**STAFF RECOMMENDATION:**

Staff is recommending that the updated Assessment Engineer's Reports and the associated annual levy of assessments be authorized.

**EXECUTIVE SUMMARY:**

The purpose of a self-managed Maintenance Assessment District (MAD) is identical to other MADs in which property owners assess themselves to receive enhanced maintenance, landscaping, and lighting services. Self-managed MADs differ from the City's Park & Recreation Department managed MADs in that district property owners select, by ballot, a non-profit corporation to contract for the provision of enhanced goods and services. The San Diego Municipal Code allows non-profit corporations to administer MADs when an assessment weighted majority of district property owners support the selection of a particular non-profit corporation for their district.

The Fiscal Year 2009 assessments for the City's self-managed Maintenance Assessment Districts (MADs) and Property and Business Improvement District (PBID) are each managed by various local non-profit organizations and are overseen by the Economic Development Division of the City Planning and Community Investment Department. MADs and PBIDs are authorized by law to assess benefiting property owners for maintenance and other property related activities. These activities include maintenance of landscaped and paved medians, landscaped right-of-ways and slopes, open space, parks, ponds, flood control channels, monuments, decorative street lighting, decorative gates, signage, banners, as well as cleaning of curbs and gutters, sweeping sidewalks, provisions of security services, and monitoring.

State law requires that the City Council annually approve the assessment levy for each MAD and PBID and to update each of the districts' Assessment Engineer's Report. The resolutions associated with this action would authorize the City to place the annual assessment levy for each self-managed MAD and PBID on the FY 2009 County Property Tax roll. The resolutions also fulfill the legal requirements necessary for each self-managed MAD and PBID to provide the maintenance and other services as described in the Assessment Engineer's Reports.

The Economic Development Division currently manages eight self-managed MADs and also manages the Downtown PBID. In accordance with state law, staff is recommending that the updated Assessment Engineer's Reports and the associated annual levy of assessments be authorized.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)

## RESOLUTIONS: (Continued)

ITEM-202: (Continued)

**STAFF SUPPORTING INFORMATION:** (Continued)

Based on data contained in the updated Assessment Engineer's Reports, the following list provides the recommended assessment levels for each of the eight self-managed MADs and PBID in FY 2009.

<u>District</u>	<u>Assessment District Levy</u>
1. Adams Avenue MAD	\$ 50,200
2. Central Commercial MAD	\$ 218,547
3. City Heights MAD	\$ 302,095
4. College Heights MAD	\$ 270,325
5. Greater Golden Hill MAD	\$ 489,012
6. Hillcrest Commercial Core MAD	\$ 89,950
7. Little Italy MAD	\$ 746,266
8. Newport Avenue MAD	\$ 57,101
9. Downtown PBID	<u>\$5,969,272</u>
<b>Total</b>	<b>\$8,192,768</b>

This action authorizes approval of the Fiscal Year 2009 Assessment Engineer's Reports, and authorizes the levy and collection of assessments for the above MADs and PBID.

FISCAL CONSIDERATIONS:

This action refines the anticipated assessment revenue estimate for Fiscal Year 2009. The annual MAD and PBID assessment for City owned property for Fiscal Year 2009 is \$355,807.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

Each year, the City Council authorizes staff to levy assessments and update the assessment Engineer's Reports. The Fiscal Year 2008 approval was obtained on July 23, 2007, per City Council Resolutions R-302858 and R-302859.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The managing non-profits meet with the property owners within each respective on a continual basis.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Key stakeholders are the business community and the property owners within the self-managed districts.

Kessler/Anderson/LO

Staff: Luis Ojeda – (619) 236-6475

Kimberly Kaelin – Deputy City Attorney

**CLOSED SESSION NOTICES, DISCLOSURE, AND PUBLIC COMMENT**

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PUBLIC NOTICES:

Items are listed under Public Notice as a matter of public record only. These items do not require Council action and there is no public testimony.

## ITEM-250: SUBMISSION OF BALLOT PROPOSALS

[?View referenced exhibit back-up material.](#)

City Council Policy 000-21 establishes the procedure for submittal of ballot proposals. The Council Policy states that members of the public shall submit proposals to the City Clerk, who shall then transmit them promptly to the Rules Committee for review and comment. The proposals must be submitted in time to allow the City Clerk to list on the Council Docket 127 days prior to the election the ballot proposals which have been referred to Council following Rules Committee review.

Therefore, the City Clerk's Office has established the following administrative guidelines for the November 4, 2008, election:

<u>DAY</u>	<u>DATE</u>	<u>DAYS BEFORE ELECTION</u>	<u>EVENT</u>
Friday	6/20/08	137	LAST DATE (10:00 a.m.) for public, departments and agencies to submit ballot proposals to City Clerk for review by Rules Committee
Wednesday	6/25/08	132	Rules Committee review
Monday	6/30/08	127	Council Docket (PUBLIC NOTICE) lists proposals referred by Rules Committee
Monday	7/7/08	120	Council adopts propositions for ballot; directs City Attorney to prepare ordinances
Monday	7/28/08	99	Council adopts ordinances prepared by City Attorney
Friday	8/8/08	88	Last day for City Clerk to file with Registrar of Voters all elections material
Thursday	8/21/08	75	Last day to file ballot arguments with City Clerk

If you have questions, please contact the Office of the City Clerk at (619) 533-4025.



NON-DOCKET ITEMS

ADJOURNMENT IN HONOR OF APPROPRIATE PARTIES

ADJOURNMENT